



June 5, 2023

The Honorable Virginia Foxx
Chairwoman
Committee on Education and the Workforce
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Robert Good
U.S. House of Representatives
461 Cannon House Office Building
Washington, D.C. 20515

Dear Chairwoman Foxx and Rep. Good,

The Self-Insurance Institute of America, Inc. (SIIA) writes to express strong support for H.R. 2813, the *Self Insurance Protection Act* (SIPA).

At a time when there is increasing concern over the cost of health care, small- and mid-sized private and public-sector employers – as well as Taft-Hartley Plans – are providing affordable and quality health benefits to their workers and members through self-insured group health plans. Employers that self-insure their workers' health benefits do not pay fixed premiums to a commercial insurance carrier. Instead, these employers manage the health risks of their workers, and take on the financial risk of paying the medical claims their workers incur.

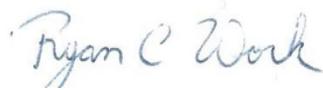
A critical tool commonly used by sponsors of self-insured plans is stop-loss insurance. Unlike traditional health insurance underwritten by a commercial insurance carrier, stop-loss insurance does *not* provide insurance coverage to an individual employee, nor does it make payments to medical providers. Instead, stop-loss coverage is a financing tool that protects an employer from financial catastrophe in the event the employer is required to pay unforeseen, excessive medical claims. In the event stop-loss coverage is triggered, payments are made directly to the employer as reimbursement for medical claims that exceed specified dollar amounts.

Self-insurance is one segment of the market that works particularly well for both plan sponsors and plan participants. Today, nearly 100 million Americans receive health benefits through self-insured plans. According to the Kaiser Family Foundation, nearly 65% of covered workers were in a self-insured health plan in 2022.

We believe it is necessary for Congress to act to preserve choice when it comes to offering health benefits to workers, and to prevent arbitrary limitations placed on self-insured group health plans through the regulation of stop-loss insurance. SIPA accomplishes this by clarifying existing law to ensure that Federal regulators cannot re-define stop-loss insurance as traditional health insurance under the law. Such a designation would effectively force many self-insured plan sponsors to discontinue their health coverage.

Thank you for your leadership on this issue, and we look forward to working with you and your colleagues on this important legislation.

Sincerely,

A handwritten signature in blue ink that reads "Ryan C Work". The signature is written in a cursive, slightly slanted style.

Ryan C. Work
Senior Vice President, Government Relations
Self-Insurance Institute of America, Inc.